

# **TRICARE Fundamentals Course**

## **Module 10**

### **Pharmacy**

#### **Participant Guide**

#### **References**

10 U.S.C.

32 CFR § 199


TRICARE Operations Manual (OPM), Part 1, Chapter 1; Part II, Chapter 2;  
OPM Part III, Chapter 1

National Defense Authorization Act (NDAA)


Defense Authorization Act (DAA)

TRICARE Policy Manual 6010.47-M, Chapter 7, 8, 12

## Module Objectives



# Module Objectives



- Explain the four available pharmacy options
- Identify pros and cons for each of the pharmacy options

<b>Military Treatment Facility Pharmacy (MTF) Option</b>  1. Cost to our beneficiaries       2. Advantage to our beneficiaries       3. Maximum prescription quantity	<b>TRICARE Mail Order Pharmacy (TMOP) Option</b>  1. Cost to our beneficiaries       2. Advantage to our beneficiaries       3. Maximum prescription quantity
<b>TRICARE Network Retail Pharmacy Option</b>  1. Cost to our beneficiaries       2. Advantage to our beneficiaries       3. Maximum prescription quantity	<b>Non Network Retail Pharmacy Option</b>  1. Cost to our beneficiaries       2. Advantage to our beneficiaries       3. Maximum prescription quantity

## Pharmacy



### Four Pharmacy Options



- **Military Treatment Facility (MTF) Pharmacies**
- **TRICARE Mail Order Pharmacy (TMOP)**
- **TRICARE Network Retail Pharmacies**
- **Non-Network Retail Pharmacies**

## Military Treatment Facility Pharmacies




### Military Treatment Facility Pharmacies



- **Location, location, location**
- **The price is right**
- **Eligibility – just bring your Uniformed Services (ID) card**
- **Formulary:**
  - **DoD basic core formulary (BCF) for use by all MTFs**
  - **MTF may add drugs to formulary**
  - **Generic substitution for brand-name drugs**

- Location: Beneficiaries who are close to a military installation that has a medical facility will probably choose this option if it is convenient.
- Price: All prescriptions filled at MTF pharmacies are at no cost to the beneficiary as long as the medication is carried by the MTF pharmacy.
- The beneficiary may obtain up to a 30-day supply of controlled medications and 90-day supply of maintenance medications.
- Eligibility: All TRICARE beneficiaries are eligible to use MTF pharmacy services regardless of whether they are TRICARE Prime, TRICARE Extra, or TRICARE Standard. The pharmacy does require the patient to present valid uniformed services ID card. Some of the very smallest clinics and pharmacies, so called “Troop Clinics,” may limit their access to active duty only.
- Formulary: The formulary is a listing of the drugs and medications that are stocked by the pharmacy at a given MTF.
  - The BCF is determined by the DoD Pharmacy and Therapeutics (P&T) Committee. Each MTF may carry additional drugs based on its scope of care.
  - Military pharmacies will fill civilian prescriptions written by non-MTF providers only if they are for items on the MTF pharmacy formulary. (However, if a patient under the care of an MTF provider requires a non-formulary medication, the provider can request the pharmacy special order it at no cost to the patient. The ultimate decision lies with the MTF P&T Committee.)
  - A phone call between the provider’s office and the pharmacy is sometimes necessary to communicate what medications are available.

### TRICARE Mail Order Pharmacy (TMOP)



**TRICARE Mail Order  
Pharmacy (TMOP)**




**EXPRESS SCRIPTS**  
*Charting the Future of Pharmacy*


- **Purpose:** Ideal for chronic conditions, on-going medications
- Mail-order service requires processing time
- Up to a 90-day supply of routine medications
- 30-day supply of controlled substances
- Ideal for people who do not live near an MTF

[www.express-scripts.com/custom/dod/ben\\_message/](http://www.express-scripts.com/custom/dod/ben_message/)

- Contractor: On March 1, 2003, Express Scripts, Inc. became the TMOP contractor. It is one of the nation's largest prescription benefit management companies. Most of the TMOP support operations are performed in an Express Scripts, Inc. facility in Arizona.
- Formulary: Determined by DoD P&T Committee
  - Prior authorization: For non-formulary medications, a physician's justification needs to be provided; this is based on diagnosis and reaction to drugs previously used.
  - DoD requires prior authorization from a physician for some drugs to ensure appropriate treatment regimens are followed.
  - DoD requires evidence of medical necessity from a physician for some medications. A medication may be considered medically necessary if a beneficiary had an allergic reaction to a formulary medication, side effect or adverse reaction to a formulary medication or failure to achieve the desired effect.
  - *Note:* For a beneficiary to get brand-name drugs when generics exist, the prescribing physician has to write a medical necessity justification for why generic drugs cannot be used.
- Timeliness: Since it's a mail-order service, it takes 10-14 days to process, fill, and ship, so for new medications, it's best to get two prescriptions: one to fill right away at a local pharmacy, and the other to mail or fax to the TMOP a couple of weeks later. Once the patient's prescription is on file, refills can be ordered via the Internet, by phone, or by mail.
- Quantity: The health care provider can write a prescription for up to a 90-day supply with up to 3 refills. For certain types of medications, such as controlled substances, there is a 30-day supply limit imposed by law.
  - Some DoD limitations exist on quantities that can be issued (for drugs such as Viagra) and compounded drugs (unique, individual specific drugs that have to be manually made by a pharmacist).



### TRICARE Mail Order Pharmacy



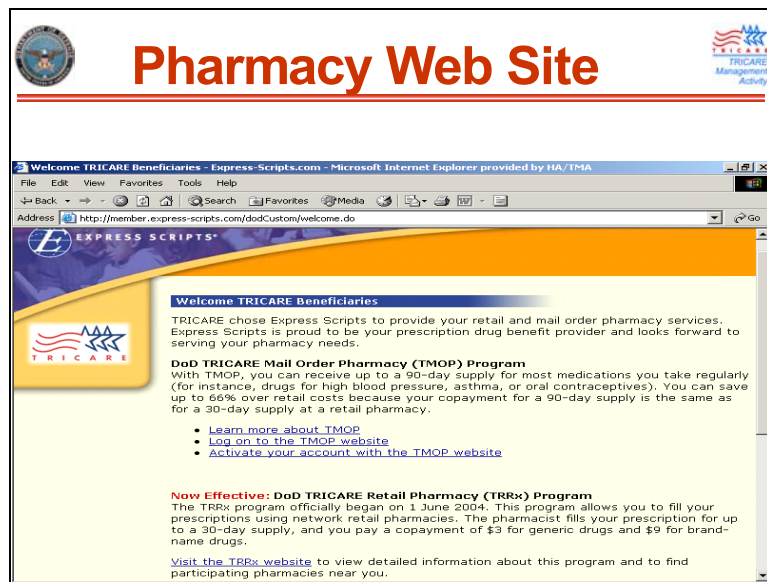
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- **Copay**
  - **Active duty: None**
  - **Generics: \$3 each**
  - **Brand name: \$9 each**
  - **Non-formulary: \$22 each**
- **Least expensive option for Government and beneficiary outside the MTF**

- Cost:
  - This option is free only for active duty.
  - For generic medications the copay is \$3 per prescription for up to a 90-day supply.
  - For brand-name prescriptions the copay is \$9 for up to a 90-day supply.
  - *Note:* For a beneficiary to get brand-name drugs when generics exist, the prescribing physician has to write a medical necessity justification for why generic drugs cannot be used.
  - Payment can be mailed—the patient will be billed when the medication is sent or credit card charge authorization can be done on-line or by phone.
  - There is no additional shipping or processing charges, unless the beneficiary wants priority shipping, and no claim reimbursement forms to file.

Beneficiaries can register with Express Scripts, Inc. to perform several functions on-line at [www.express-scripts.com](http://www.express-scripts.com):

- Order refills
- Download forms to fill new prescriptions
- Check the status of an order
- View the TMOP benefit
- Read drug and health information
- For technical assistance with the Express Scripts Web site call (877) 852-4060




For those who don't use the internet:

- Forms can be obtained by calling Express Scripts, Inc. at (866) 363-8667
- Toll-free phone consultation service with a pharmacist is available 24 hours a day, 7 days a week


A new prescription can be filled by fax at (877) 895-1900

- Only prescriptions faxed directly from the provider's office will be accepted
  - In order to prevent unnecessary delays in processing the prescription, the provider should include a cover sheet with their name and telephone number
    - This will assist TMOP in contacting the provider in the event that any part of the prescription needs clarification

### TRICARE Network Retail Pharmacies



## TRICARE Network Retail Pharmacies




- Contracted with TRICARE to provide retail services
- Ideal for medications needed immediately
- **While-you-wait** service in most communities
- Up to a 30-day supply per copay


- Contractor: The new nationwide contract has been awarded to Express Scripts, Inc. The contract implementation date was June 1, 2004 for all regions.
  - There are approximately 55,000 retail pharmacies that have contracted to serve TRICARE beneficiaries at discounted prices.
  - This contract covers the 50 United States, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands.
- This service is optimal for treatment of acute illnesses that can't wait for mail order service such as for antibiotics and pain medications and when the beneficiary does not live near an MTF.



- Quantity: The healthcare provider can write a prescription for up to a 30-day supply with refills.
- Timeliness: The beneficiary can obtain while-you-wait service at a pharmacy in most communities.
  - Find participating pharmacies at <http://member.express-scripts.com/dodCustom/home.do>, [www.express-scripts.com/tricare](http://www.express-scripts.com/tricare) or by calling (866) 363-8779
  - Or contact the local pharmacy to see if they participate in the DoD retail network
- The retail pharmacy program is fully portable, allowing beneficiaries' access to network pharmacies while traveling outside of their region without filing claims, consistent access to drugs so that there is a continuity of benefits and a consistent application of benefits across all regions and improved quality of care by enabling pharmacists to have complete access to prescription data.
- Verification of medical necessity or prior authorization may be required for some medications.



## TRICARE Network Retail Pharmacies



- **Copay**
  - **Generics: \$3 each**
  - **Brand name: \$9 each**
  - **Non-formulary: \$22 each**

- Cost: Copay is \$3 for generics and \$9 for brand-name prescriptions for up to a 30-day supply (compared to 90-day supply from TMOP).
  - The patient must present a Uniformed Services ID card with the written prescription and tell the pharmacist they have TRICARE for this service.
- There are no additional processing charges. There are and no claim reimbursement forms to file unless the beneficiary has other health insurance.

- Filling prescriptions: Valid prescriptions must be issued by the provider and may be submitted electronically, faxed, or telephoned in to the pharmacy, depending on state pharmacy laws.
  - Alternatively, the provider may give the beneficiary a written prescription to take to the pharmacy.
  - Beneficiaries should contact the local retail pharmacy to find out what method the provider should use to submit prescriptions.
  - Beneficiaries should talk with their provider if they have a preference on where or how they would like their prescriptions filled.

### **Safety Advantage**

- TRICARE processes prescriptions through the Pharmacy Data Transaction Service (PDTS) to ensure beneficiaries' safety.
  - As long as the beneficiary uses an MTF, TMOP, or a retail network pharmacy, an alert will display on PDTS whenever a prescription being filled will adversely interact with the beneficiary's current medication.
  - The pharmacy will notify the beneficiary and the provider that the prescription cannot be filled.

### **Web-based Formulary Search Tool**

The formulary search tool can be used to:

- Check availability of specific medications through the TRICARE Mail Order or Retail Pharmacy programs.
- Discover which medications are on the Basic Core Formulary.
  - These medications must be made available at all full service military pharmacies.
- Find copayment information for prescription medications, including injectable medications.
- Learn about generic equivalents for brand-name medications, quantity limits, or prior authorization requirements.
- View and print prior authorization criteria and forms.
- Learn about FDA approved drug uses, side effects, and potential interactions with other medications.

The Formulary Search Tool is accessible at [www.tricareformularysearch.org](http://www.tricareformularysearch.org)

## Non-Network Retail Pharmacies



### Non-Network Retail Pharmacies



- Most expensive option, but for some beneficiaries the most convenient option
- Up to a 30-day supply
- Beneficiary must pay full price, then file a claim, will be reimbursed less applicable deductible and copay
- Annual deductibles for Standard/Extra
  - \$150 per individual, \$300 per family
- Non-active duty Prime deductible – POS (\$300 individual, \$600 family) + 50% cost share
- \$9 or 20% (whichever is greater) of full retail cost once annual deductible is met

- These are retail pharmacies that have not contracted with TRICARE.
- This is the most expensive option, but for some beneficiaries, it may be the most convenient or even their only option.
- As with the other three pharmacy options, this is available to all categories of TRICARE beneficiaries: Prime, Extra, and Standard.
- The beneficiary may obtain up to a 30-day supply of medications.
- In most cases, the beneficiary pays full retail price at the pharmacy first, then must file a claim for appropriate reimbursement.
- The reimbursement form is called the Patient's Request for Medical Payment (DD Form 2642).
  - The form is available from a Beneficiary Counseling and Assistance Coordinator (BCAC) or Health Benefits Adviser (HBA) at an MTF
  - By mail from TRICARE Management Activity, 16401 E. Centretex Parkway, Aurora, Colorado 80011-9043.
  - On the Web at <http://www.tricare.osd.mil/claims>
- To get reimbursed for non-network pharmacy claims, enclose the completed DD 2642, attach the required paperwork and mail it to:
  - Express Scripts, P.O. Box 66518, St. Louis, MO 63166-6518
- The copay is the greater of either \$9 or 20 percent of the full retail cost.
- Deductibles for TRICARE Standard/Extra beneficiaries apply
  - Annual deductibles are \$150 per individual, \$300 per family (\$50 and \$150 for E-4s and below).

*Note:* Non-active duty TRICARE Prime beneficiaries, such as eligible family members of active duty) using this option will have to meet POS annual deductible. The deductible is \$300 per individual and \$600 per family. After the deductible is met, the cost share will be 50 percent of the TRICARE allowable charge.


*Note:* Active duty service members using this option get 100% reimbursement.

- The deductibles for each year start on October 1.
- The beneficiary pays 100 percent of the prescription costs until the deductible is met.
- After the deductible is met, the beneficiary will pay either \$9 or 20 percent of the full retail cost for each prescription, whichever is greater.
- The other family members will continue to pay 100 percent of the prescription costs until the next family member meets the \$150 deductible or the combination of prescription costs for the entire family reaches \$300, whichever comes first.
- With the \$300 family deductible satisfied, all prescriptions for that family cost the greater of either \$9 or 20 percent of the full retail cost for that year.
- POS option: The deductible is \$300 per individual and \$600 per family. After the deductible is met, the cost share will be 50 percent of the TRICARE allowable charge


### **Non-formulary Medication**

- Effective July 17, 2005, beneficiaries will pay \$22 for up to a 30 or 90-day supply of the non-formulary medications, depending on whether they fill the prescription at a TRICARE Retail Network Pharmacy or through the TRICARE Mail Order Pharmacy.
- Beneficiaries will pay the higher of \$22 or 20 percent in retail non-network pharmacies.
- MTFs will be able to fill non-formulary requests for these medications only if both of the following conditions are met:
  - An MTF provider writes the prescription, and
  - Medical necessity is established for these products
- MTFs may (but are not required to) fill a prescription for these medications written by a non-MTF provider to whom the patient was referred, as long as medical necessity has been established.
- Active duty members pay no cost shares, and unless medical necessity is established, they may not obtain non-formulary drugs.
- A list of non-formulary medications can be found at [www.tricare.osd.mil/pharmacy](http://www.tricare.osd.mil/pharmacy)

## Cost Comparison among Four Pharmacy Programs



# Pharmacy Programs

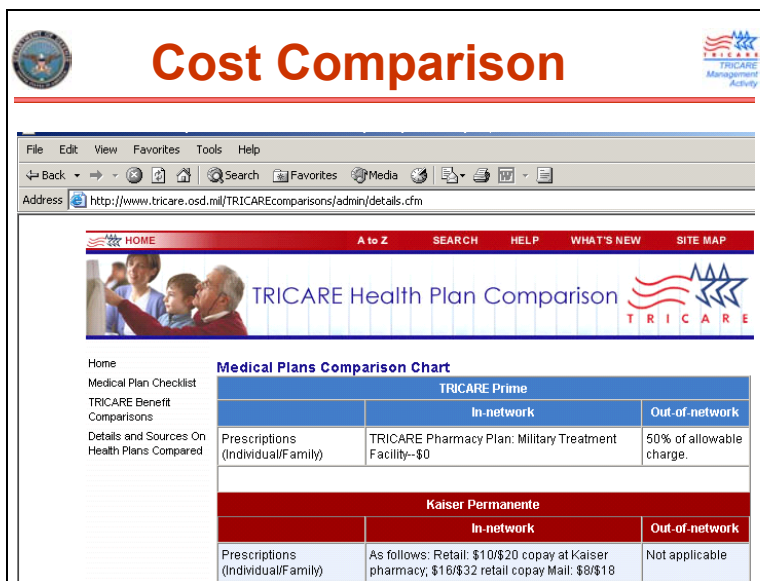


**Example:**

- **Beneficiary: Active Duty Spouse**
- **One-year's supply of a brand name formulary medication**
- **Total cost of medication for the year: \$1,375**

Source	MTF	TMOP	Retail (Network)	Retail (Non-Network)
Prescription/Refills	Four, 90-day supply @ \$0	Four, 90-day supply @ \$9	Twelve, 30-day supply at \$9	20% of cost (after paying deductible)
Cost to Beneficiary	\$0	\$36	\$108	\$275

Your Cost			
Place of Service	Generic Drugs	Brand Name Drugs	Non-formulary Drugs
Military Treatment Facility	\$0	\$0	May be available
TRICARE Mail Order Pharmacy (up to a 90-day supply)	\$3	\$9	\$22
TRICARE Retail Networks (up to a 30-day supply)	\$3	\$9	\$22
Non-Network Pharmacies	\$9 or 20% of total drug cost (whichever is greater). Existing deductibles and POS fees apply <ul style="list-style-type: none"> <li>E-4 and below: \$50 person/\$100 family</li> <li>Standard: \$150 person/\$300 family</li> <li>Prime \$300 person/600 family (POS fee 50%)</li> </ul>		\$22 or 20% of total drug cost (whichever is greater, after deductible is met). <ul style="list-style-type: none"> <li>E-4 and below: \$50 person/\$100 family</li> <li>Standard: \$150 person/\$300 family</li> <li>Prime \$300 person/600 family (POS fee 50%)</li> </ul>



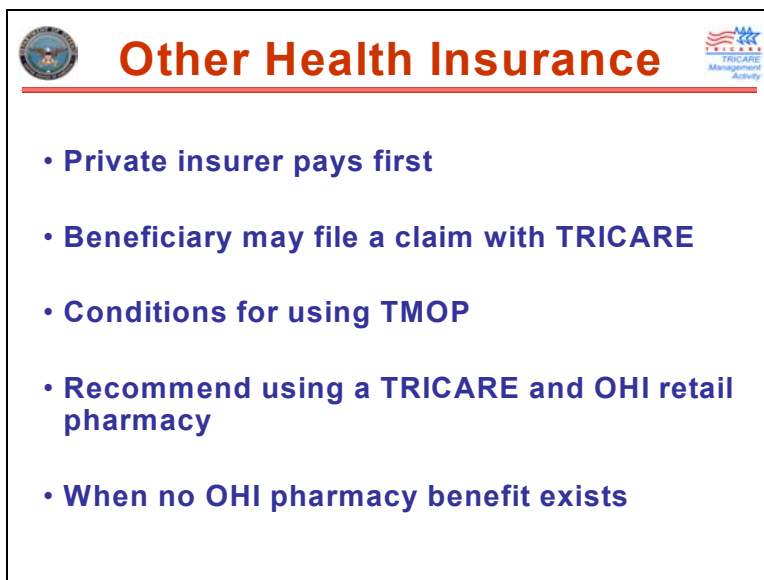
The screenshot displays the TRICARE Health Plan Comparison website. The main heading is "Cost Comparison". Below it, a navigation bar includes links for HOME, A to Z, SEARCH, HELP, WHAT'S NEW, and SITE MAP. The page features a "Medical Plans Comparison Chart" with two main sections: TRICARE Prime and Kaiser Permanente. The TRICARE Prime section compares In-network and Out-of-network costs for prescriptions. The Kaiser Permanente section compares In-network and Out-of-network costs for prescriptions.

TRICARE Prime		
	In-network	Out-of-network
Prescriptions (Individual/Family)	TRICARE Pharmacy Plan: Military Treatment Facility--\$0	50% of allowable charge.

Kaiser Permanente		
	In-network	Out-of-network
Prescriptions (Individual/Family)	As follows: Retail: \$10/\$20 copay at Kaiser pharmacy; \$16/\$32 retail copay Mail: \$8/\$18	Not applicable

## Other Health Insurance



The screenshot displays the TRICARE Health Plan Comparison website. The main heading is "Other Health Insurance". Below it, a list of bullet points provides information about private insurers, beneficiaries, conditions for using TMOP, and recommendations for using TRICARE and OHI retail pharmacies.

- Private insurer pays first
- Beneficiary may file a claim with TRICARE
- Conditions for using TMOP
- Recommend using a TRICARE and OHI retail pharmacy
- When no OHI pharmacy benefit exists

- For medication expenses payable by TRICARE and other health insurance, the other health insurance will be the primary payer, and TRICARE will be the secondary payer, providing reimbursement of those expenses not covered by the other health insurance
  - Between the two payers, most of the beneficiary's medication expenses will be covered
- For medication that is covered by the other health insurer, a beneficiary should use that plan's mail order or retail pharmacy benefit, pay that insurer's copay, and then submit a paper claim to Express Scripts for reimbursement of out-of-pocket expenses
  - A beneficiary's least expensive option would be to use a retail pharmacy that is in the other health insurer's network as well as the TRICARE network
  - Otherwise the beneficiary would be subject to the TRICARE non-network deductible when filing a claim
  - A beneficiary cannot use TMOP for medication covered by the other health insurance because TRICARE is the secondary payer
- For medication that is not covered by the other health insurer, or when the beneficiary has reached that plan's pharmacy benefit cap, the beneficiary can use the TRICARE mail order and retail pharmacy benefit
- To get reimbursed for non-network pharmacy claims, enclose the completed DD 2642, attach the required paperwork and mail it to:
  - Express Scripts, P.O. Box 66518, St. Louis, MO 63166-6518

### **Pharmacy Benefits for Dependent Parents and Parents-in-Law**

The pharmacy benefit allows eligible beneficiaries to obtain low cost prescription medications.

- To be eligible for this program, parents and parents-in-law must first meet the uniformed service's requirements to be considered a dependent of an active duty or retired uniformed services sponsor and must be enrolled in DEERS.
- If they are 65 years of age or older they must first enroll in DEERS and be entitled to Medicare Part A.
- If they turned 65 on or after April 1, 2001, they also need to purchase Medicare Part B.

These beneficiaries may obtain their prescription medications from:

- MTF hospital or clinic pharmacies
- TMOP
- TRICARE Network Retail Pharmacies
- TRICARE Non-Network Retail Pharmacies



### For More Information

TRICARE Toll-Free Help Line (877) DOD MEDS (877-363-6337)


TRICARE Pharmacy Web page  
[www.tricare.osd.mil/pharmacy/](http://www.tricare.osd.mil/pharmacy/)

Express Scripts, Inc. for TMOP  
[www.express-scripts.com](http://www.express-scripts.com)  
(866) DOD TMOP (866) 363-8667


Express Scripts, Inc. for Retail Pharmacy  
[www.express-scripts.com](http://www.express-scripts.com)  
(866) DOD TRRX (866-363-8779)

Find participating network pharmacies by ZIP code at the following:  
<http://member.express-scripts.com/dodCustom/home.do>

### Summary



## Module Objectives



- Explain the four available pharmacy options
- Identify pros and cons for each of the pharmacy options